

Minutes of the Finance Committee

Wednesday, March 21, 2012

Chair Haukohl called the meeting to order at 8:31 a.m.

Present: Supervisors Pat Haukohl, Bill Zaborowski, Jim Heinrich, and Rob Hutton. Pamela Meyer arrived at 8:32 a.m. **Absent:** Dave Falstad and Ted Rolfs.

Also Present: Chief of Staff Mark Mader, Federated Library Director Tom Hennen, Automation Coordinator Mellanie Mercier, Senior Buyer Karen Bollinger, Senior Financial Analysts Bill Duckwitz and Clara Daniels, Administration Director Norm Cummings, Budget Specialist Linda Witkowski, Public Finance Director of Robert W. Baird & Co. Brad Viegut, Enterprise Operations Manager David Burch, Public Works Director Allison Bussler, Business Manager Betsy Forrest, Highway Operations Manager Pete Chladil, Risk/Purchasing Manager Laura Stauffer, Principal Risk Management Analyst Mark Jatczak, County Board Candidate Mike Hyland, Human Resources Manager Jim Richter, Budget Manager Keith Swartz, Engineering Services Manager Gary Evans, Parks & Land Use Director Dale Shaver, Community Development Coordinator Glen Lewinski, County Clerk Kathy Nickolaus, Business Services & Collections Manager Andy Thelke, Business Manager Lyndsay Johnson, Inspector Steve Marks, and Sheriff Dan Trawicki. Recorded by Mary Pedersen, County Board Office.

Approve Minutes of 2-22-12

MOTION: Zaborowski moved, second by Heinrich to approve the minutes of February 22. Motion carried 4-0.

Schedule Next Meeting Dates

- April 4

Meyer arrived at 8:32 a.m.

Chair's Executive Committee Report of 3-19-12

Haukohl said the Executive Committee, at their last meeting, approved two ordinances and heard an in-depth report on Information Technology projects.

Meeting Approvals

MOTION: Hutton moved, second by Heinrich to approve Zaborowski's attendance at the Health & Human Services Board's public hearing at the Expo Center Forum Building on March 29. Motion carried 5-0.

Motion to Allow Secretary Meyer to Approve the Final Set(s) of Committee Minutes on Behalf of the Committee

MOTION: Heinrich moved, second by Hutton to allow Secretary Meyer to approve the final set(s) of Committee minutes on behalf of the Committee. Motion carried 5-0.

Ordinance 166-O-111: Create Capital Project # 201212 For The Replacement Of The CAFÉ Shared Library Automation System For Waukesha County Federated Library System Members

Hennen discussed this ordinance to create Capital Project #201212 to replace the Integrated Library System (ILS) and purchase hardware and software to implement a new ILS for the 16, soon to be all 17, participating CAFÉ member libraries. Project costs totaling \$350,000 are planned to be funded by prior-year member library payments which have been retained as fund balance in the CAFÉ Shared Automation Fund for the eventual replacement of the ILS. Hennen stressed this will not impact the County levy.

An evaluation determined the current software has reached the end of its useful life. Mercier said the new system would provide more functionality including allowing library patrons to pay late fines online and improved search options.

Ongoing annual operating costs of the new system, including licensing and maintenance, are estimated to be about \$90,000 beginning in 2013, versus about \$120,000 for the existing system. The planned five-year vendor contract with Polaris will limit annual increases in these ongoing operating costs to inflationary increases reported by the Bureau of Labor Statistics or 3%, whichever is less. These costs will be covered with member library payments to the CAFÉ Shared Automation Fund.

MOTION: Meyer moved, second by Zaborowski to approve Ordinance 166-O-111. Motion carried 5-0.

Contract Procurement Process for Replacement of the Integrated Library System

Bollinger advised the contract was awarded to Polaris, the highest rated proposer, for a total first year contract cost of \$338,192. The first year budgeted amount was \$350,000. Years two through five costs (totaling \$387,249) are for ongoing support and maintenance and assume a 3% annual increase to be paid out of the operations budget. A total of six vendors submitted proposals for consideration.

MOTION: Heinrich moved, second by Meyer to approve the contract procurement process for replacement of the Integrated Library System. Motion carried 5-0.

Ordinance 166-O-116: Authorize The Issuance Of Not To Exceed \$20,000,000 General Obligation Promissory Notes For Capital Projects

Cummings, Witkowski, and Viegut were present to discuss this ordinance, brought forward annually. This year's ordinance allows the County to borrow an amount not to exceed \$20,000,000 by issuing general obligation promissory notes to cover some capital projects costs included in the County's 2012 Capital Projects Expenditure Plan. Cummings noted two of the bigger projects include CTH L and the new Human Services Building.

Viegut said rates increased sharply over the last week, 40 basis points, but we are still seeing historically low interest rates. Viegut is estimating a true interest cost of 2.05%, still very low but slightly higher than last year's rate. The actual rate will be determined on May 22 at which time it will be locked in. The closing date is June 12. Principal payments will begin in 2013 and end in 2022.

MOTION: Heinrich moved, second by Zaborowski to approve Ordinance 166-O-116. Motion carried 5-0.

Contract Procurement Process for Architectural & Engineering Services for Parks Restrooms

Bollinger briefly explained the RFP process. Burch advised the contract was awarded to Engberg Anderson, Inc., the highest rated proposer, for a total contract cost of \$89,565 over a three-year period. The first year budgeted amount was \$57,780. Total budgeted availability over the three-year period for design, engineering, and construction administration for 11 buildings is \$158,890. Eleven vendors submitted proposals for consideration.

MOTION: Heinrich moved, second by Zaborowski to approve the contract procurement process for architectural and engineering services for parks restrooms. Motion carried 5-0.

Ordinance 166-O-110: Modify The 2012 Risk Management Fund And Vehicle Replacement Fund For The Replacement Of A Tandem Truck

Bussler, Forrest, Chladil, and Stauffer discussed this ordinance which authorizes additional expenditure appropriations of \$75,000 funded by Risk Management Fund Balance and \$155,000 funded by the Vehicle Replacement Fund balance to replace a tandem truck that was involved in an accident and determined to be a total loss by Risk Management.

Chladil said a semi driver cut off our driver and was determined responsible for the accident. Forrest said the replacement cost of the new truck is \$230,000 based on bids received by the Purchasing Division. Stauffer advised the County is self-insured for vehicle property damage claims. Subrogation is being pursued with the responsible party's insurance company to recover costs associated with this accident. To answer Haukohl's question, Stauffer said she expects payment but did not yet know how much. She indicated the County would receive the depreciated value of the tandem truck, not full value or cost to buy new.

MOTION: Zaborowski moved, second by Heinrich to approve Ordinance 166-O-110. Motion carried 5-0.

Ordinance 166-O-115: Reauthorization Of Self-Insurance

Stauffer discussed this ordinance which is brought forward every three years. It allows the County to be exempt (self-insured) from insuring liability with a workers compensation insurance carrier and thereby assumes the responsibility for its own workers compensation risk and payment. The State Department of Workforce Development assesses an administration fee to each self-insured employer based on their proportional share of total indemnity payments made or payable for cases closed during the preceding calendar year. The 2012 Risk Management budget includes an estimated \$10,000 for this anticipated annual fee.

MOTION: Heinrich moved, second by Zaborowski to approve Ordinance 166-O-115. Motion carried 5-0.

Year-end Claims and Workers Compensation Report

Stauffer discussed her report titled "Waukesha County Claims History 2007-2011." For year-end 2011, 27 general liability claims were opened, 10 remained open, and the total incurred was \$116,786. Regarding auto liability, 20 claims were opened, one remained open, and the total incurred was \$35,656. A total of 33 auto physical damage claims were opened, 12 remained open,

and the total incurred was \$101,470. There were 17 property damage claims of which seven remained open, and the total incurred was \$76,443. Stauffer highlighted some of the larger claims that opened and closed.

Jaczak distributed copies of "Waukesha County Workers Compensation 2007-2011 Claims History Summary." In 2011, a total of 109 workers compensation claims were opened and by the end of 2011, 43 of those claims remained open. The total incurred was \$699,463. Jaczak went on to highlight some of the larger claims that opened and closed.

MOTION: Heinrich moved, second by Hutton to accept the year-end claims and workers compensation report. Motion carried 5-0.

Ordinance 166-O-114: Approve Changes To The Disability Pay Program And Other Benefits And Policies For County Employees

Richter and Stauffer discussed this ordinance which makes three policy changes for all County employees except WPPA represented members.

Richter said effective June 30, 2012, the workers compensation supplement called Disability Pay will be discontinued. The amount paid under this program varies widely from year to year but based on the experience of the past few years, the 2012 second half savings is estimated at \$10,000. The ongoing annual impact is estimated at a favorable \$20,000.

Effective upon passage of this ordinance, newly non-represented employees previously covered by collective bargaining agreements and employees represented by Teamsters Local 200 will be allowed to carry over up to 40 hours of unused vacation time from one year to the next. The fiscal impact of this change is expected to be negligible. These employees will also be allowed to defer enrollment into the County retiree health insurance plan for up to five years following retirement. Because retirees pay the full premium for this plan, there is no fiscal impact associated with this change.

Heinrich expressed concerns that this applies to the Teamsters Local 200. He thought because they recertified as a union, they should be treated differently than the non-represented and newly non-represented employees. He was concerned that if Act 10 is reversed how would we negotiate these benefits if we have already given them away. Richter did not think Act 10 would be overturned in the near future. He said the Teamsters employees can no longer negotiate for this benefit or other benefits in accordance with Act 10. They can only negotiate for base wage and even that is capped. Also, the Teamsters must vote to recertify every year so we do not know if they will stay recertified in the future. Heinrich said not all benefits have to be given to all employees. Meyer felt it would benefit the County to treat all employees fairly whereby Richter agreed. Richter said if the newly non-represented and represented employees realize they are treated well here, they may not want to be union-represented again in the future, if that option becomes available. Heinrich said it could work both ways. Represented employees are getting the benefits of both worlds. Heinrich said he may make a motion to amend this ordinance on the County Board floor to delete all language relating to the Teamsters employees.

MOTION: Meyer moved, second by Zaborowski to approve Ordinance 166-O-114. Motion carried 3-2. Hutton and Heinrich voted no.

Contract Procurement Process for Engineering Design Services – Brookfield Road Intersection, Capital Project #200427

Evans advised the contract was awarded to One Source Consulting, the highest rated proposer, for a total contract cost of \$96,000. The budgeted amount was \$86,000. A total of nine vendors submitted proposals for consideration. The total contract cost for this portion of the project is 9% of the overall program. Therefore, staff feels there are sufficient funds to cover the cost of the design services for this project. The higher price is likely due to the fact that there is a potential historical property in the northeast quadrant of this intersection. When historical properties are known, more research and meetings are needed during the design process to seek approval to work around it.

MOTION: Heinrich moved, second by Zaborowski to approve the contract procurement process for engineering design services – Brookfield Road intersection, Capital Project #200427. Motion carried 5-0.

Contract Procurement Process for Engineering Design Services – CTH F, I-94 to STH 190, Capital Project #200905

Evans advised the contract was awarded to U.R.S. Corporation, the highest rated proposer, for a total contract cost of \$244,321. The budgeted amount was \$395,000. A total of six vendors submitted proposals for consideration.

MOTION: Hutton moved, second by Heinrich to approve the contract procurement process for engineering design services – CTH F, I-94 to STH 190, Capital Project #200905. Motion carried 5-0.

Ordinance 166-O-109: Execute Subgrantee Agreements, HUD Grant Agreement And Funding Application For Final Statement Of Objectives And Projected Use Of Funds And Expenditure For Community Development Block Grant (CDBG) And HOME Investment Partnership (HOME) Programs For The 2012 Program Year

Shaver said this is the annual ordinance to accept HUD grants to cover HOME and CDBG programming. Shaver said CDBG funding is coming in at about \$74,000 more than what was estimated in the 2012 budget. For HOME programming, the grant is about \$121,000 less than what was budgeted. This ordinance accepts an estimated \$1,249,906 in CDBG funding and \$1,047,337 in HOME funding. UW-Extension will also receive \$44,000 for their neighborhood revitalization project. The ordinance allows the County to enter into subgrantee agreements with those entities chosen to receive funds through the CDBG Board's block grant process. Shaver said this ordinance also allows the County to execute amendments to those contracts as needed, and it authorizes the final grant award from HUD.

MOTION: Heinrich moved, second by Zaborowski to approve Ordinance 166-O-109. Motion carried 5-0.

Discuss Recall Expenses

Nickolaus said the recall elections will be held on May 8 (Fitzgerald) and June 5 (Walker and Kleefisch). These extra costs were not budgeted. An ordinance is likely late summer for a contingency fund transfer estimated at \$160,000 to \$210,000. These costs include ballots, supplies, advertising and notices, extra help, additional media for equipment, etc.

Year-end Collections Report

Thelke discussed his report titled "Collections Division Delinquent Collection/Referral Analysis: 2011 Year-end Report." The total amount of collections retained by the County in 2011 was \$2,065,306 versus \$1,833,929 retained in 2010. Total collections increased 4.4% from 2010 and 5.9% from 2009. Tax intercept collections totaled \$1,216,526 in 2011 versus \$1,207,031 in 2010. A total of 4,454 tax intercept payments were received on accounts in 2011 versus 4,758 in 2010.

MOTION: Hutton moved, second by Heinrich to accept the year-end collections report. Motion carried 5-0.

Ordinance 166-O-112: Expenditure Of Seized Funds Amend The 2012 Sheriff's Department Budget For Multiple Purchases

Trawicki, Johnson, and Marks were present to discuss this ordinance to use \$129,430 in seized funds, in accordance with federal guidelines, to purchase equipment for the department. This includes \$10,000 for a forensic lighting kit; \$3,000 for a pontoon boat trailer; \$17,500 for five sniper rifles; \$22,750 for 35 tactical headsets; \$9,480 for six body armor units; \$6,800 for four supervisor uniforms; \$10,000 for 50 active shooter bags, \$36,000 for nine self-contained breathing apparatus units, etc. The current fund balance, before these proposed expenditures, is \$292,188.

MOTION: Heinrich moved, second by Zaborowski to approve Ordinance 166-O-112. Motion carried 5-0.

Ordinance 166-O-113: Accept 2012 State Of Wisconsin Department Of Transportation Highway Safety Grant And Modify Waukesha County Sheriff Department's 2012 Budget To Authorize Grant Expenditures

Trawicki discussed this ordinance to accept grant funds up to a maximum of \$129,000 to provide targeted law enforcement activities for overtime (about 1,530 hours) at an estimated cost of about \$86,100 and to purchase additional small equipment items (patrol vehicle light bars, auxiliary lighting, radio equipment) at an estimated cost of \$17,900. The department had included an estimate of \$25,000 in their 2012 budget. Future replacements and maintenance costs associated with the equipment will be the responsibility of the Sheriff's department and will need to be absorbed within their budget target.

MOTION: Heinrich moved, second by Meyer to approve Ordinance 166-O-113. Motion carried 5-0.

MOTION: Heinrich moved, second by Hutton to adjourn at 12:00 p.m. Motion carried 5-0.

Respectfully submitted,

Pamela Meyer
Secretary